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FROM AIT KAOHSIUNG BRANCH OFFICE

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SUBJECT: A Southern Perspective on the UN Referendum Issue

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11. (SBU) Summary: Recent AIT/K meetings with Southern legislators, academics and party officials clearly indicate the referendum issue is not going to disappear before the presidential election concludes in March 2008. Politicians and academics agree that no one wants to damage the U.S.-Taiwan relationship, but that winning the 2008 presidential election is paramount. The strong U.S. reaction against the UN referendum is perceived in the south as helpful to DPP campaign strategy. End Summary.

A Potato Too Hot  
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12. (SBU) The general consensus among AIT/K's Southern interlocutors is that the UN referendum is not going away prior to the March 2008 presidential election. As DPP LY member for Kaohsiung City, Guan Bi-ling, told AIT/K, "This issue is hot and only going to get hotter." According to DPP and KMT party operatives and politicians, the strong support for this issue among the Taiwan people represents a sincere expression of voters' desire for greater space in the international community. Neither the DPP nor the KMT can deny this reality or put a halt to this referendum movement without committing political suicide. Lo Shih-hsiong, a KMT LY member for Kaohsiung City, said presidential candidate Ma Ying-jeou's hope in the upcoming presidential election lies in his willingness to introduce a KMT referendum proposal, something which no old-school KMT politician would consider. Lo is certain the KMT, just like the DPP, will take this issue all the way to the election.

It's Just Politics, What's the Fuss:  
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13. (SBU) Tainan City KMT Chairman Wu Chao-yu told AIT/K that the UN referendum issue is all about politics ... and politics only. President Chen, potentially facing post-election indictment on corruption in office charges, will do anything and say anything to keep the DPP in the presidential seat, Wu argued. If the DPP loses, he continued, Chen knows he will do prison time. Wu also anticipates "drastic last minute DPP campaign tactics" that will hurt KMT chances on the eve of the presidential election. DPP's Guan Bi-ling knows the referendum is a controversial issue, but it can also attract and solidify voters. Focusing on Taiwan identity issues is a standard operating procedure for the DPP during elections, she said. In fact, Guan pointed out that the DPP has numbers to show that throwing out this kind of "provocative" topic during an important election gains votes for the DPP. Professor Hsin Tsui-ling, a political scientist at National Sun Yat-sen University, felt the DPP is using the referendum issue simply to

shift people's focus from the bad economy to ideological issues in order to boost the DPP's chances at winning the presidency. She saw nothing new in this campaign tactic. Legislators Lo and Guan both saw nothing in the UN referendum issue that comes close to crossing the "red line" or sounding anything like a declaration of independence.

#### What Happens After the Election?

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14. (SBU) Legislator Guan told AIT/K that, since the UN referendum issue is only a matter of domestic election politics, the DPP will drop the issue once it wins the presidency in March, 2008. "A president has to be practical after an election," she noted, "and everything will return to normal then." Kaohsiung City KMT Chair Hsu Fu-ming stressed that what must be understood is that the difference between the KMT and the DPP at this point is that if the KMT wins the presidency, Ma will not seek independence, but rather will seek economic cooperation with China. Kaohsiung City DPP Chair Zhang Zhi-ming sees the upcoming presidential election as a battle between two extremes. If the DPP wins in 2008, he surmised, it will consider its ongoing push for "localization" (bentu hua) complete and the KMT will probably have to change its name to Taiwan KMT, while if the KMT wins Taiwan will be lost forever to China.

#### Who Cares about U.S.-Taiwan Relations?

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15. (SBU) Conversations with interlocutors in southern Taiwan revealed minimal concern about the strength of the U.S.-Taiwan relationship. Professor Hsin believes the DPP cares deeply about maintaining relations with the U.S., but cares more about winning the presidency; this is the ultimate goal and nothing can get in the

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way. Without the presidency, she said, the DPP can do nothing to move its agenda forward. DPP Chairman Zhang pointed out that the DPP understands the U.S. faces many pressures from others to solve the "Taiwan referendum" problem, but he said eventually Taiwan must face the inevitability of a push for independence. KMT Chairman Hsu believes the KMT has channels to communicate both with China and the U.S. about the nature of this political situation in order to ensure good relations will continue. Legislators Lo and Guan both felt there is nothing in the UN referendum debate or action that should harm the U.S.-Taiwan relationship in the long run.

#### U.S. Urged to Play Down Opposition to UN Referendum

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16. (SBU) Tainan City KMT Chairmen Wu Chao-yu suggested that the U.S. administration remain low profile and volume on the referendum issue to prevent President Chen and the DPP from using U.S. "bullying" and "pressure" as a campaign tactic to appeal to the voters. Creating the image of a DPP underdog bullied by the U.S., he advised, will only upset voters and lead them to cast sympathy votes for the DPP in the presidential election as a gesture to support Taiwan's bid to the UN. National Sun Yat-sen Professor Hsin warned that any reaction from the U.S. should target only President Chen's actions and performance and not the Taiwanese people or Taiwan as a state. Legislator Lo urged the U.S. to stay entirely out of the discussion between DPP and KMT on the referendum issue. The U.S. strong reaction, he stressed, runs counter to the strong feelings of the Taiwan people and will serve only to help the DPP win its ultimate goal of gaining sympathy votes in the presidential election.

#### Comment

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17. (SBU) For both the KMT and the DPP, winning the presidential election is everything and all other matters fall by the wayside. The KMT anticipates more political antics from the DPP, though none may serve to incite voters as effectively as the UN referendum issue. AIT/K will cover the upcoming September 15 DPP UN referendum

rally in Kaohsiung to see how the "man in Kaohsiung's street" is reacting to this issue.

Thiele

Wang